

**State of Washington  
Decision Package**

**Agency:** **310 Department of Corrections**  
**Decision Package Code/Title:** **8U – Utility Rate Adjustments**

---

**Budget Period:** **2005-07**

**Budget Level:** **M2 – Inflation and Other Rate Changes**

**Recommendation Summary Text:**

The Department requests funds for utility rate increases for water, sewer, garbage, electricity, natural gas, gasoline, and heating oil.

**Agency Total**

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
<b>Operating Expenditures</b>			
001-1 - General Fund - Basic Account-State	\$1,086,000	\$1,091,000	\$2,177,000
<b>Staffing</b>			<b>Annual</b>
FTEs	<u>FY 2006</u> N/A	<u>FY 2007</u> N/A	<u>Average</u> N/A

**Program 100-Administrative Services**

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
<b>Operating Expenditures</b>			
001-1 - General Fund - Basic Account-State	\$2,000	\$2,000	\$4,000
<b>Staffing</b>			<b>Annual</b>
FTEs	<u>FY 2006</u> N/A	<u>FY 2007</u> N/A	<u>Average</u> N/A

**Program 200-Institutional Services**

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
<b>Operating Expenditures</b>			
001-1 - General Fund - Basic Account-State	\$1,033,000	\$1,038,000	\$2,071,000
<b>Staffing</b>			<b>Annual</b>
FTEs	<u>FY 2006</u> N/A	<u>FY 2007</u> N/A	<u>Average</u> N/A

## Program 300-Community Corrections

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
<b>Operating Expenditures</b>			
001-1 - General Fund - Basic Account-State	\$51,000	\$51,000	\$102,000
<b>Staffing</b>			<b>Annual</b>
FTEs	<u>FY 2006</u>	<u>FY 2007</u>	<u>Average</u>
	N/A	N/A	N/A

### Package Description

The Department is anticipating increases in electricity, gasoline, natural gas, heating oil, water, garbage, and sewer. These are increases to the Department from the local provider and are not a result of increased usage.

The increase in gas prices has had a direct effect on the Department. The Department uses vehicles for many different reasons: inter- and intra-state transportation to and from facilities; perimeter patrols; medical transports; training; warehousing; and maintenance projects. Gasoline prices have increased, on average, from \$1.723 per gallon to \$2.135 per gallon for the period of July 7, 2003, through July 5, 2004, which represents an increase of 24 percent. Crude Oil contract prices for the same period have increased by 27.3 percent. The Department has attempted to combat the increasing price of gasoline by purchasing hybrid vehicles. Currently, the Department is using hybrids for perimeter patrols at Airway Heights Corrections Center (AHCC), Stafford Creek Corrections Center (SCCC), and Washington Corrections Center (WCC), and for training or meetings that requires travel.

Puget Sound Energy was approved for a 3.2 percent electricity increase on May 13, 2004. This approved increase will increase the Department's overall electricity needs by 0.15 percent in the 2005-2007 Biennium. The impact will primarily be on Cedar Creek Corrections Center (CCCC) and Tacoma Pre-Release (TPR) as well as most community corrections field offices and most work releases located in the Southwest and West Central Regions.

The Department is estimating a 14.1 percent increase in Fiscal Year 2006 and 14.5 percent increase in Fiscal Year 2007 for water rates that will take place prior to Fiscal Year 2005. The increase in water includes several institutions. The majority of increase is a result of a rate increase of 35 percent by the city of Airway Heights. In Resolution 2004-002, issued by the city of Airway Heights, mining and mining related activities, institutions, industrial, and high volume users over 150,000 gallons used during any month shall pay a base charge of \$220 per month. Each unit of 1,000 gallons consumed is charged a \$2.65 per unit or fraction thereof, per month. The current base rate at AHCC is \$150 per month and a per unit charge of \$1.96 for each unit of 1,000 gallons. Other increases will occur at SCCC, 6.3 percent, Clallam Bay Corrections Center (CBCC), 8.0 percent, and Coyote Ridge Corrections Center (CRCC) of 12.0 percent.

The Department is estimating a 14.8 percent increase, in both fiscal years, for sewer rates that will take place prior to Fiscal Year 2005. The increase in sewer rates is applicable to three institutions: AHCC; SCCC; and CBCC. The city of Aberdeen Ordinance Number 6352 increases the commercial rate to \$3.77 for each 100 cubic feet of water consumption. The current rate experienced by SCCC is \$3.30 for each 100 cubic feet of water consumption. This equates to an increase of 14.2 percent. The city of Airway Heights Resolution 2004-003 increases the amount AHCC pays for each cubic foot of basic treatment from \$2.50 per ccf to \$4.00 per ccf. This resolution also increases the base rate from \$68.48 per month to \$125.00 per month. CBCC's sewage outfall rates will increase by 23.0 percent prior to Fiscal Year 2005 per the Clallam County utility division manager and will increase another 5.4 percent in January 2006.

The Department's institutions that are currently using heating oil are experiencing an increase in heating oil cost per gallon. The suppliers are citing the increase in crude oil prices and the increase in overhead costs, delivery truck fuel, as the main causes for the increased prices. The Department is estimating a 12.36 percent increase in heating oil costs for the 2005-2007 Biennium.

The Department has been asked by the city of Walla Walla to participate with them in investigation of groundwater contamination that has been noted in their upgradient well from Washington State Penitentiary's landfill. The annual cost to sample and analyze the groundwater samples from these wells will be \$8,960.

### **Narrative Justification and Impact Statement**

#### ***How contributes to strategic plan:***

This request is critical to agency activities, the strategic plan, and statewide results. The request ensures that the Department has the necessary resources to maintain current levels of service and performance.

This request is required to sustain agency activities *Confine Convicted Adults in State Prisons, Supervise High-Risk Adult Offenders in the Community, Supervise Moderate-Risk Adult Offenders in the Community, Supervise Low-Risk Adult Offenders in the Community and Corrections - Core Administration*. The resources identified will be directed to support the agency objective to adhere to American Correctional Association standards for facilities and the field to reduce liability so that resources are used/deployed efficiently, effectively, and with regard to meeting constitutional mandates. This objective and strategy moves the Department closer to meeting its high-level organizational goal to enhance organizational capacity and competency. This high-level goal is an intermediate outcome and helps achieve statewide results that improve the safety of people and property.

#### **Performance Measure Detail**

No measures were submitted for this package.

#### ***Reason for change:***

The cost of purchasing utilities has increased due to changes in the wholesale cost of heating oil and local government factors.

#### ***Impact on clients and services:***

N/A

#### ***Impact on other state programs:***

N/A

#### ***Relationship to capital budget:***

N/A

#### ***Required changes to existing RCW, WAC, contract, or plan:***

N/A

#### ***Alternatives explored by agency:***

N/A

***Budget impacts in future biennia:***

Sufficient funding will be required in future biennia in order to keep up with increased utility costs.

***Distinction between one-time and ongoing costs:***

All costs are ongoing.

***Effects of non-funding:***

Current level of services will be reduced to cover the increased utility costs.

***Expenditure Calculations and Assumptions:***

Expenditures are based upon current biennium costs and anticipated rate changes resulting from notifications from public and private utility providers and the state Utilities and Transportation Commission.

<b><u>Object Detail</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>	<b><u>Total</u></b>
E Goods and Services	\$1,086,000	\$1,091,000	\$2,177,000